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August 1, 2012

Mr. William K. Honker, P.E.
Acting Director
Water Quality Protection Division
Environmental Protection Agency, Region VI
Attn: Ms. Maria E. Okpala (6WQ-PP)
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

Re: Water Quality Certification, Draft NPDES Permit No. TX0007587
Chevron Phillips Chemical, Clemens Terminal
Brazoria County, Texas

Dear Ms. Okpala:

The Railroad Commission of Texas (RRC) has examined the above referenced draft permit in response to the public notice dated January 30, 2012. This permit would replace the permit previously issued in 2011. This permit also would include the addition of a new Outfall 0004 for discharge of brine to the Brazos River. This office received a copy of comments from the applicant dated March 20, 2012.

The applicant currently operates a salt dome storage facility for hydrocarbons at which brine is used to displace the hydrocarbons. Under the existing permit issued in 2011, the brine is discharged intermittently at Outfall 001 when the dome is filled with product. Discharge is to the San Bernard River Tidal (Segment No. 1301) of the Brazos Colorado Coastal Basin.

Flows in the San Bernard River have decreased because of recent drought conditions and the applicant is unable to discharge from the terminal to the San Bernard River. ConocoPhillips operates a petroleum refinery in Sweeny, Texas. The Sweeny Complex pumps its treated effluent through a 26-mile, 24-inch pipeline that discharges to the tidally-influenced zone of the Brazos River approximately 1.25 miles south of the State Highway 36 river crossing. The route of the existing effluent pipeline from the Sweeny Complex to the Brazos River passes through the Clemens Terminal property. The applicant is proposing to tie into a ConocoPhillips pipeline at a point where it passes through Clemens terminal and use the pipeline to carry excess brine with the refinery effluent to the Brazos River. The addition of a new Outfall, Outfall 004, will allow the Clemens terminal to discharge to the Brazos River.

The applicant estimates that the maximum 30 day flow during the last two years at Outfall 001 was 1.69 MGD, with an average flow of 0.433 MGD. The designated uses of Segment 1201, Brazos River Tidal are primary contact recreation, high aquatic life, and public water supply. The modified draft permit includes the same previously established limitations for TOC (30 mg/l maximum and 20 mg/l average); Oil & grease (10 mg/l monthly average and 15 mg/l daily maximum); and pH (6-9 su's).

In a letter dated March 20, 2012, the applicant's consultant advised of two issues with the draft permit. The first issue surrounded the sampling point for proposed Outfall 0004. The second issue concerned the toxicity testing requirements for Outfall 0004. The applicant requested revision of the draft permit to allow the toxicity testing

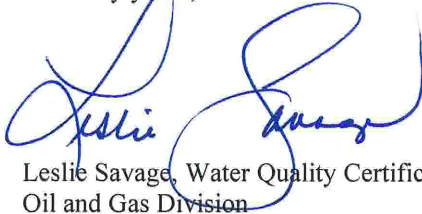
conditions for the Clemens Terminal at Outfall 0004 reflect the effects of commingling of the effluent from the Clemens Terminal with that of the Sweeney Complex.

The proposed permit constitutes a Federal Action that could affect the land and water use of the coastal zone of Texas. The federal Coastal Zone Management Act of 1972 (CZMA, reauthorized in 1990) requires review by the State of any federal action that affects the land and water use of the State's coastal zone. The Texas Coastal Management Program boundary, as defined at 31 Texas Administrative Code §503.1, delineates the Texas coastal zone. The Railroad Commission is the State agency responsible for determining consistency with the TCMP with respect to actions covering activities associated with the exploration, development, and production of oil, gas, or geothermal resources that could affect land and water use of the Texas Coastal Zone, that are not referred to the Texas General Land Office (TGLO) for that determination. The subject action has not been referred to the TGLO. Furthermore, the TCMP policies for discharges of wastewater from oil and gas exploration and production activities include a requirement that all discharges comply with the provisions of the Texas surface water quality standards (31 Texas Administrative Code §§501.14 and 506.12). The Railroad Commission of Texas is the certifying State agency for federal actions with respect to permits covering activities associated with the exploration, development, and production of oil, gas, or geothermal resources that may result in discharges to waters of the United States within the boundaries of the State of Texas.

The Railroad Commission has reviewed this proposed action for consistency with the TCMP goals and policies, in accordance with the regulations of the TCMP, and has found that the proposed action will not have a direct and significant adverse effect on any coastal natural resource area identified in the applicable policies, and has determined that the proposed action is consistent with the applicable goals and policies of the TCMP. As part of the TCMP review, the Railroad Commission examined the draft permit and has identified no conflicts between the proposed permit and applicable state water quality laws. Our review indicates that, based on the information contained in the draft permit and public notice, there is a reasonable assurance that the permitted activities will be conducted in a manner which will not violate any applicable water quality requirements. The Railroad Commission also finds that no conditions more stringent than those in the draft permit would be necessary to comply with state water quality laws. Therefore, the Railroad Commission hereby grants certification of the referenced permit for compliance with applicable state water quality laws. The proposed permit could be made less stringent and still not be in violation of state water quality standards or result in an inconsistency with the Texas Coastal Management Program if it were revised to address the applicant's concerns in its letter dated March 20, 2012.

Please call me at (512) 463-7308 if you have any questions.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Leslie Savage', is written over a circular stamp. The signature is fluid and cursive.

Leslie Savage, Water Quality Certification Agent
Oil and Gas Division

Cc: Chevron Phillips Chemical
Clemens Terminal
P. O. Box 866
Sweeney, TX 77480